

2006 MONROE COUNTY BUDGET EXECUTIVE SUMMARY

GENERAL OVERVIEW OF THE BUDGET

The 2006 budget totals \$998.9 million, a \$16.6 million increase over the 2005 Adopted Budget or 1.7%. Mandated Spending increases \$12.2 million and represents 79% of the budget. Non-Mandated Spending increases \$4.4 million and represents 21% of the budget. The ratio of Mandated Spending to Non-Mandated Spending is the same in this Proposed Budget as it was in the Adopted Budget for 2005.

	Adopted 2005	Proposed 2006	% of 2006 Budget	% of Growth
Mandated Services	\$ 772,482,697	\$ 784,669,634	78.55 %	1.6 %
Non-Mandated	\$ 209,872,261	\$ 214,276,179	21.45 %	2.1 %
TOTAL	\$ 982,354,958	\$ 998,945,813	100 %	1.7 %

Monroe County costs for Social Services have increased dramatically the past few years. These mandates required by New York State are rarely fully funded by New York State and Federal Governments resulting in a structural problem between the cost of County Government and the revenues to afford those costs. The 2006 Monroe County Budget as proposed balances costs and revenues while keeping the property tax rate flat and providing a stable level of services.

Department heads have worked diligently to achieve the high level of service the community enjoys with spending increases lower than the rate of inflation. The narrative below highlights some of the important improvements made to County services without raising the cost of government.

This budget also benefits from the diligent efforts of the Budget Advisory Team formed by County Executive Maggie Brooks and its successor group, the Center for Civic Entrepreneurship. Almost 100 ideas were proposed by the Budget Advisory Team and this budget includes 34 of those ideas impacting expense reductions and revenue improvements for a total of over \$19.7 million of benefit for taxpayers.

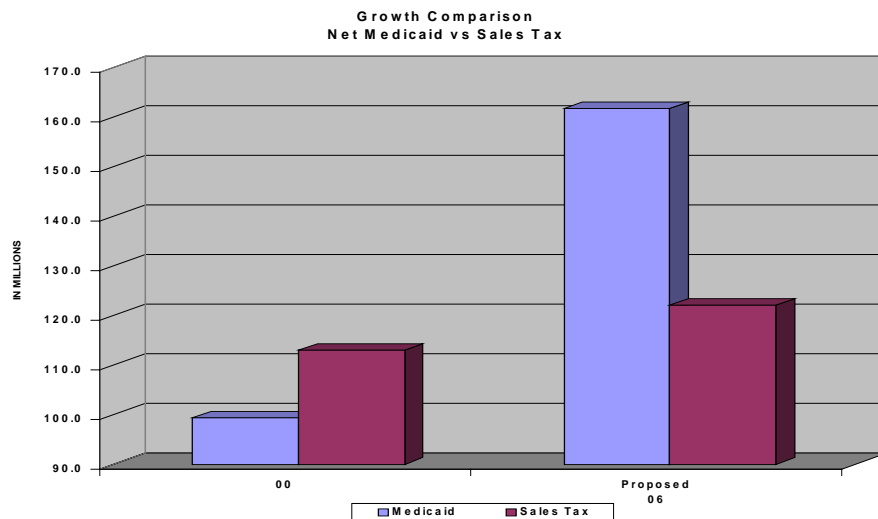
The social services needs required to be met by County Government continue to be an expensive component of the budget. As of the second quarter Key Indicator Report for 2005, the Department of Human Services (DHS) was projected to exceed its budget by as much as \$24.3 million. Welfare, Child Welfare and Medicaid expenses exceed costs in the 2005 Budget. When compared to our peer counties of Onondaga and Erie, Monroe County is spending as much as \$22 million more for Welfare and Child Welfare Caseloads when the population difference is standardized. (Medicaid costs are discussed below). This budget includes funding for initiatives to bring Monroe County closer in line with our peer counties by more effectively serving those in need.

In August of this year the County restructured the arrangement by which the Tobacco Settlement proceeds were to be received by the County. Joining other counties across the State in an environment of lower interest rates, the proceeds were enhanced significantly. Those proceeds eliminate a forecasted gap in the current year and allow Monroe County to begin 2006 with a surplus. The structural issues referenced above are displayed in the Multi-Year Budget Forecast section of the Budget Book.

MEDICAID EXPENSE DETAIL

Important legislative action by New York State will result in Monroe County costs for Medicaid experiencing controlled growth for 2006 and forward. Replacing double-digit increases in costs for the past four years, Monroe County will now pay 3.5% more in 2006 than our 2005 cost. In 2007 the cost of Medicaid will be capped at 6.75% above the 2005 cost, and in 2008 the cost will be capped at 9.75% above the 2005 cost. The cost is scheduled to increase 3% more each succeeding year above the 2005 base year cost. The uncapped share of the cost the State has required from Monroe County prior to 2006 is now capped by the controlled growth percentages.

This is important reform for Monroe County taxpayers. Instead of the double digit cost increases seen in the recent past, the increased costs are capped at the County level. However, the Sales Tax revenue, that in years past funded the County's share of the Medicaid program cost, is not sufficient to currently support these costs, and historically has grown at a slower rate than the State's controlled growth cap. The result is that other revenues will need to be used to supplement the Sales Tax revenues in order for Monroe County to afford this cost.



In calendar year 2000, Monroe County's share of the sales tax revenue exceeded Medicaid expenses by \$13.6 million. For 2006 this budgeted gap is \$39.6 million. This directly relates to the structural problem Monroe County finds itself in.

BUDGET BOOK FORMAT

Implementing the recommendations of the Budget Advisory Team, the Budget Book delineates Mandated and Non-Mandated spending for each department. The budget for each Elected Office is also detailed. Each of these sections provides a summary of the services distinguished between Mandated and Non-Mandated services. In addition the Budget Book includes a section called Multi-Year Forecast that shows the projected expenses and revenues for 2007 and 2008.

COUNTY SERVICES OVERVIEW

Below provides an overview by Elected Official and its Departments.

COUNTY EXECUTIVE

Included in the County Executive budget section are all the departments of County Government that are within the County Executive's management responsibility. Some of the major department highlights include:

Aviation: The Greater Rochester International Airport is a major commercial air facility in New York State. The Airport is self-funded. The improvements to the security screening and runways have attracted record numbers of low cost airline flights and passenger counts. Continued improvements to the terminal will upgrade passenger and baggage traffic flow. Enhancements to security systems and personnel provide a safe and secure experience.

Board of Elections: The Board of Elections conducts all national, state, county, city and town elections in Monroe County. To improve voting procedures, national elections now require compliance with the Help America Vote Act (HAVA). BOE funding levels for 2006 support emerging HAVA mandates affecting the entire election process such as interface with the New York State voter database, election inspector compensation and training and public education campaigns.

Human Services: The Department of Human Services oversees the Federal and State Mandated social service programs along with the significant and expanded investment the County makes in Preventive and Protective services. Caseload statistics for Welfare and Child Welfare are higher than our neighboring counties of Erie and Onondaga, though the caseload levels are trending down. Continued concentration on employment activities should lower the number of individuals needing Welfare benefits. Expansion of Preventive Services is expected to lower Child Welfare residential placements.

Information Services: The infrastructure for Monroe County took impressive steps forward in 2005. With the formation of Upstate Telecommunications Corporation to provide management and oversight, significant changes to the equipment and software used were installed. The financial software needed to be replaced, with SAP the successful vendor. Computers, servers, and telephones all have been upgraded to provide a standard platform to operate efficiently and effectively throughout the County. An e-Government solution to improve communication between Monroe County Government departments and its businesses and residents will be completed during 2006.

Monroe Community Hospital: Federal and State funding for community hospitals and nursing homes has changed significantly the past few years. While MCH has had balanced budgets in recent years, the current operation is deficit funded and supported by general County revenues. The 2006 budget anticipates a 22% reduction in budgeted support by Monroe County primarily resulting from a formula change in Federal and State funding.

Public Defender: The Public Defender's Office represents indigent individuals in criminal court proceedings as well as Family and Surrogate Court. With funding from a New York State Records Management Grant the Public Defender will be in the process of automating barcodes to client file jackets and capture digital images of casework product.

Public Health: This department provides services that focus on promoting health and the prevention of health problems through education, health code enforcement, communicable disease control and medical policies. The 2006 budget includes funding for an Adult Health Survey. The cost of the survey will be shared with several community-based health and planning partners. This survey will assist in preparing strategies to prevent and manage chronic disease.

Public Safety: While the District Attorney, Public Defender and Sheriff Departments directly impact public safety, the Public Safety Department consolidates and manages functions related to the provision of public safety services. A significant infrastructure investment is being made to update communications services. The 911 center can now identify the location of mobile callers when the cell phone has the technology. The 900 MHz two-way digital paging system goes live early in 2006. And through the use of Global Position Satellite technology, Public Safety representatives will be able to monitor Sex Offenders wherever they move throughout the community.

Public Works Sector: As part of the 2005 Budget, the Departments of Environmental Services, Parks and Transportation were tasked with sharing resources to improve outcomes. Personnel and Equipment inventories identified opportunities to make the departments more effective and efficient. Approximately \$1M in savings was identified as result of implementing these opportunities.

COUNTY CLERK

The County Clerk is the County Registrar and the Clerk of the Supreme and County Courts. The Downtown Operations have added over 4.5 million pages of documents to an electronic database to dramatically improve service to the community. The County Clerk operates the Auto License Bureaus in the County. The efficiency of these office results in a positive contribution back to the County, reducing taxpayer costs.

COUNTY LEGISLATURE

The County Legislature is comprised of 29 elected Legislators representing the residents of Monroe County. The budget includes the appropriations for the legislators as well as the Office of the Legislature and Legislature Clerk, the Office of the Legislature President and staff support for both Republicans and Democrats.

DISTRICT ATTORNEY

The District Attorney is the Chief Prosecutor for Monroe County and this department oversees the prosecution of all crime in the county. This Office services over 45 courts. In addition to the prosecution of violent criminal activity, the District Attorney handles DWI, Domestic Violence, and White-Collar crime cases among a variety of other responsibilities. This budget continues the Motor Vehicle Theft and Insurance Fraud Protection Program.

SHERIFF

The Sheriff is a constitutional officer elected to a four-year term and serves as an officer of the court and conservator of the peace in Monroe County. The increase in Net County cost for the Sheriff is attributable to increase costs for the Mandated Jail Bureau. This includes an increase in the medical costs for the jail population and a reduction in the revenues received from housing State and Federal prisoners. An increase in the contract with New York State for Court Security is reflected in the budget.

CONCLUSION

The 2006 Budget benefits from many of the initiatives of the Budget Advisory Team and the Center for Civic Entrepreneurship. Over 34 initiatives are implemented in this budget with total impact of over \$19.7 million. Along with the 2005 fund surplus, the 2006 Budget is balanced while leaving the Property Tax Rate flat. More work needs to be done to achieve long term structural balance. The Multi-Year Budget Forecast outlines the challenges facing the finances of Monroe County Government.